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Hearing Date: May 26, 2021
Time: 9:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

PURDUE PHARMA, L.P., *et. al.*,

Debtors.

Chapter 11

Case No. 19-23649(RDD)
(Jointly Administered)

**STATEMENT AND RESERVATION OF RIGHTS OF
BLUE CROSS AND BLUE SHIELD ASSOCIATION
WITH RESPECT TO THE DEBTORS' DISCLOSURE STATEMENT
FOR THIRD AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION**

Creditor Blue Cross and Blue Shield Association (“BCBSA”)¹ through undersigned counsel, respectfully submit this statement and reservation of rights (the “TPP Statement”) with respect to the *Disclosure Statement for Third Amended Chapter 11 Plan for Purdue Pharma L.P. and its Affiliated Debtors* [ECF No. 2907] (as amended, the “Disclosure Statement”). In support of the TPP Statement, BCBSA respectfully states as follows:

STATEMENT

1. BCBSA and other Third Party Payors are creditors with numerous claims against the Debtors, and have been working with the Debtors and other parties in the hope of reaching consensus about the myriad issues raised by these cases. However, the Disclosure Statement and attendant proposed third amended plan (the “Plan”) that were filed on May 24, 2021 [ECF Nos. 2907 and 2904, respectively] contain provisions that did not appear in prior versions of the documents, and as to which the Third Party Payors have questions and concerns.

2. Specifically, the Disclosure Statement contains a brief description of a Common Benefit Escrow to be funded in part from distributions that would otherwise be made to holders of allowed third party payor claims by the TPP Trust. The summary at page 225 of the Disclosure Statement indicates that funding will be provided by “assessments equal to [5]% of each Distribution made by the Private Creditor Trusts.” BCBSA and other Third Party Payors have not consented to this arrangement, and have questions about, among other things, the basis for requiring third party payors to fund the Common Benefit Escrow, the way the escrow will work,

¹Due to the time constraints, counsel has not had communications with all of its third party payor clients about the issues raised in this Statement. By the time of the hearing, additional third party payors may have authorized counsel to inform the Court that they join in this Statement.

and why determinations about the entitlement of attorneys for funds from the escrow will be made by a court other than the Bankruptcy Court.²

3. BCBSA and other Third Party Payors will continue to engage with the Debtors and other parties to better understand these provisions, in the hope that any and all of their concerns can be addressed and resolved. This TPP Statement is submitted at this time to identify the Third Party Payors' concerns and to reserve their rights with respect to the new provisions.

RESERVATION OF RIGHTS

4. BCBSA and other Third Party Payors reserve their rights to supplement this TPP Statement at the May 26th Disclosure Statement hearing and otherwise. In addition, all of the Third Party Payors' rights to object to the Plan are specifically reserved.

Dated: May 25, 2021

Respectfully submitted,

HAGENS BERMAN SOBOL SHAPIRO LLP

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² The Plan provides that the Common Benefit Escrow will be for the benefit of "attorneys who performed work deemed to benefit all parties to the Chapter 11 Cases." ECF No. 2904, page 85 (Plan section 5.8(c)).